

Message Text

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PAGE 01 STATE 110988
ORIGIN COME-00

INFO OCT-01 EUR-12 ISO-00 EB-07 DOTE-00 CIAE-00 INR-07
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-----151421Z 009393 /41

R 150404Z MAY 77
FM SECSTATE WASHDC
TO AMEMBASSY OTTAWA
INFO AMCONSUL MONTREAL
AMCONSUL VANCOUVER
AMCONSUL CALGARY
AMCONSUL WINNIPEG
AMCONSUL TORONTO
AMCONSUL QUEBEC
AMCONSUL HALIFAX

UNCLAS STATE 110988

E.O. 11652: N/A

TAGS: BENC, CA

SUBJ: MAJOR PROJECT: TRANSPORT CANADA RAILCAR
PROCUREMENT

REF: A) OTTAWA 3492 B) STATE 78272

1. IMPRESSION CONVEYED IN REFTEL B OF U.S. OPENNESS IN
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PUBLIC TRANSIT CAR PROCUREMENT WAS BASED ON STATEMENT BY
RAILWAY PROGRESS INSTITUTE THAT, DURING 1976, AMERICAN
TRANSIT PROPERTIES OBTAINED 272 TRANSIT CARS FROM CANADA,
50 FROM FRANCE, AND NONE FROM U.S. SPOKESMAN FOR DOT'S
URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA) INFORMS
US ITS POLICY IS TO ENCOURAGE COMPETITIVE BIDDING FROM
ANY SOURCE AND IS TOTALLY OPPOSED TO "BUY AMERICAN"

APPROACH. BELIEVE FOREGOING FIGURES TEND CONFIRM THIS STATEMENT.

2. RE CLEVELAND: UMTA INFORMS US IT HAD DEVELOPED STANDARD SPECIFICATIONS FOR LIGHT RAIL VEHICLES SEVERAL YEARS AGO WHEN BOSTON AND SAN FRANCISCO DECIDED TO REPLACE EQUIPMENT WITH UMTA ASSISTANCE. BOEING VERTOL THEN MANUFACTURED CARS TO THESE SPECIFICATIONS AND SOLD

THEM TO THE TWO CITIES. WHEN CLEVELAND DECIDED TO

PURCHASE LIGHT RAIL CARS, IT AND A NUMBER OF COMPANIES WERE UNDER IMPRESSION UMTA WAS MANDATING SPECIFICATIONS FOR CARS BEING PRODUCED EXCLUSIVELY BY BOEING. SEVERAL MANUFACTURERS, PARTICULARLY UTDC, COMPLAINED TO UMTA WHICH RESPONDED BY ISSUING NEW, MUCH BROADER TECHNICAL SPECIFICATIONS DESIGNED TO OPEN COMPETITION TO VARIOUS COMPANIES IN U.S. AND OVERSEAS. AT PRESENT, UMTA HAS OBTAINED EXPRESSIONS OF INTEREST FROM TWENTY COMPANIES IN EUROPE, JAPAN, AND CANADA (INCLUDING MLW AND BOMBARDIER IN ADDITION TO UTDC.) FINAL NUMBER COMPETITORS WILL NOT BE KNOWN UNTIL ORDER COMES TO TENDER LATER THIS MONTH.

3. FYI: UMTA BELIEVES UTDC STATEMENTS CITED IN REFTEL A REFER TO ORIGINAL SPECIFICATIONS REQUIRING "ARTICULATED" (I.E. COUPLED) CARS. AGENCY SPOKESMAN AGREES THAT UTDC TORONTO CARS ARE ARTICULATED AS ARE BOSTON AND SAN FRANCISCO BOEING CARS. HOWEVER, HE CLAIMS SIMILARITY UNCLASSIFIED

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ENDS THERE AND STATED UTDC TORONTO DESIGN WAS "TOTALLY UNACCEPTABLE" UNDER ORIGINAL SPECIFICATIONS OR THOSE RECENTLY PROMULGATED. FURTHERMORE, NEW SPECIFICATIONS DO NOT PRECLUDE ARTICULATED CARS BUT ALLOW BIDS FROM MANUFACTURERS WITH SINGLE BODY DESIGN.

4. AMTRAK FINALLY HAS RESPONDED TO OUR INQUIRIES AND CONFIRMS CAMERON STATEMENTS. AMTRAK CLAIMS HAS LEGAL REQUIREMENT BUY AMERICAN FOR NORTHEAST CORRIDOR PROJECT. ON OTHER ACQUISITIONS, ITS SPOKESMAN DESCRIBED POLICY AS "BUY AMERICAN IF EQUIPMENT AVAILABLE, COMPETITIVE, AND CAN BE DELIVERED ACCORDING TO SCHEDULE." ALTHOUGH HE ACKNOWLEDGED THAT AMTRAK RECENTLY ACQUIRED SUBSTANTIAL AMOUNTS OF EQUIPMENT FROM SWEDEN, FRANCE, AND CANADA, HE

DID STATE THAT IT ENCOURAGES U.S. ACQUISITION OF TECHNOLOGY BY SUGGESTING FOREIGN COMPANIES LICENSE AMERICAN MANUFACTURE OF THEIR DESIGNS.

5. WHILE WE AGREE WITH CAMERON CONTENTION THAT AMTRAK MAINLINE RAIL EQUIPMENT IS TECHNICALLY CLOSER TO THAT UNDER TRANSPORT CANADA TENDER THAN SELF-PROPELLED TRANSIT CARS AND LIGHT RAIL VEHICLES, WE ALSO AGREE WITH EMBASSY'S SOURCE IN MINISTRY INDUSTRY AND COMMERCE WHO PRAISED OPPORTUNITIES AFFORDED CANADIAN MANUFACTURERS UNDER UMTA PROGRAMS. CHRISTOPHER

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